

**R865. Tax Commission, Auditing.**

**R865-19S. Sales and Use Tax.**

**R865-19S-80. Printers' Purchases and Sales Pursuant to Utah Code Ann. Section 59-12-103.**

- (1) Definitions.
  - (a)(i) "Pre-press materials" means materials that:
    - (B) are reusable;
    - (C) are used in the production of printed matter;
    - (D) do not become part of the final printed matter; and
    - (E) are sold to the customer.
  - (ii) Pre-press materials include film, magnetic media, compact disks, typesetting paper, and printing plates.
  - (b)(i) "Printer" means a person that reproduces multiple copies of images, regardless of the process employed or the name by which that person is designated.
    - (ii) A printer includes a person that employs the processes of letterpress, offset, lithography, gravure, engraving, duplicating, silk screen, bindery, or lettership.
  - (2) Purchases by a printer.
    - (a)(i) Purchases of tangible personal property by a printer are subject to sales and use tax if the property will be used or consumed by the printer.
    - (ii) Examples of tangible personal property used or consumed by the printer include conditioners, solvents, developers, and cleaning agents.
    - (b)(i) A printer may purchase tax free for resale any tangible personal property that becomes a component part of the finished goods for resale.
    - (ii) Examples of tangible personal property that becomes a component part of the finished goods for resale include glue, stitcher wire, paper, and ink.
    - (c) A printer may purchase pre-press materials tax free if the printer's invoice, or other written material provided to the purchaser, states that reusable pre-press materials are included with the purchase. A description and the quantity of the actual items used in the order is not necessary. The statement must not restrict the customer from taking physical possession of the pre-press materials.
    - (d) The tax treatment of a printer's purchase of graphic design services shall be determined in accordance with rule R865-19S-111.
  - (3) Sales by a printer.
    - (a) Except as provided in this Subsection (3), a printer shall collect sales and use tax on the following:
      - (i) charges for printed material, even though the paper may be furnished by the customer;
      - (ii) charges for envelopes;
      - (iii) charges for services performed in connection with the printing or the sale of printed matter, such as cutting, folding, and binding;
      - (iv) charges for pre-press materials purchased tax exempt by the printer; and
      - (v) charges for reprints and proofs.
    - (b) Charges for postage are not subject to sales and use tax.
    - (c) Sales by a printer are exempt from sales and use tax if:
      - (i) the sale qualifies for exemption under Section 59-12-104; and
      - (ii) the printer obtains from the purchaser a certificate as set forth in rule R865-19S-23.
    - (d) If the printer's customer is purchasing printed material for resale, but will not resell the pre-press materials, the printer must collect sales and use tax on the pre-press materials.
    - (e) If printed material is shipped outside of the state, charges for pre-press materials are exempt from sales tax as a sale of goods sold in interstate commerce only if the pre-press materials are physically shipped out of state with the printed material. If pre-press materials are retained in the state by the printer for any reason, the pre-press materials do not qualify for the sales tax exemption for goods sold in interstate commerce, and as such, the printer must collect sales tax on the part of the transaction relating to the pre-press materials.

**KEY: charities, tax exemptions, religious activities, sales tax**

**Date of Enactment or Last Substantive Amendment: September 23, 2010**

**Notice of Continuation: March 13, 2007**

**Authorizing and Implemented or Interpreted Law: 59-12-103**